

Message Text

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ACTION TRSE-00

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XMB-04 OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 NSC-05

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FM AMEMBASSY MANILA

TO SECSTATE WASHDC 7735

INFO AMEMBASSY SUVA

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USADB

FOR NAC AGENCIES

E.O. 11652: N/A

TAGS: EAID, EFIN, FJ

SUBJ: TECHNICAL ASSISTANCE TO FIJI FOR SUVA PORT DEVELOPMENT
PROJECT

SUMMARY: ADB PRESIDENT HAS APPROVED \$92,000 TECHNICAL
ASSISTANCE (TA) GRANT TO COVER FOREX COST OF \$107,000
UNDERTAKING TO PREPARE PROPOSAL FOR IMPROVEMENTS IN SAFETY
AND EFFICIENCY OF SUVA PORT. END SUMMARY.

1. ADB PRESIDENT ON OCTOBER 1977 APPROVED \$92,000 TA
GRANT TO GOVT OF FIJI. PROCEEDS WILL FINANCE FOREX
COSTS OF REMUNERATION, PER DIEM, INTERNATIONAL TRAVEL,
REPORT PRINTING AND CONTINGENCIES FOR PROPOSED STUDY OF
SUVA PORT. PURPOSE OF TA IS TO FORMULATE PROJECT PROPOSAL
FOR IMPROVEMENT AND EXPANSION OF SUVA PORT SO THAT IT CAN
HANDLE INCREASING TRAFFIC VOLUME, UPGRADE CARGO HANDLING
METHODS AND MAINTAIN ITS POSITION AS MAJOR REGIONAL PORT
OF SOUTHERN PACIFIC.

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2. IN FIJI THERE ARE THREE OFFICIAL PORTS OF ENTRY
AND SIX SUFFEREANCE PORTS WHICH HANDLE SPECIFIC
TYPES OF CARGO SUCH AS PETROLEUM, SUGAR, ETC. TWO
PORTS, SUVA AND LAUTOKA ACCOUNT FOR ABOUT 75 PERCENT OF
TOTAL IMPORTS AND EXPORTS OF FIJI. A THIRD PORT
CALLED VUDU POINT HANDLES BULK PETROLEUM AND ACCOUNTS

FOR ABOUT 20 PERCENT OF COUNTRY'S TRADE.

3. PORT OF SUVA IS ON SOUTHEAST COAST OF VITI LEVU, MOST IMPORTANT AND LARGEST ISLAND OF FIJI. SUVA IS MAIN PORT OF COUNTRY AND ALSO SERVES AS TRANSHIPMENT CENTER FOR OTHER PACIFIC ISLAND COUNTRIES. BETWEEN 1970 AND 1973 TOTAL FOREIGN IMPORTS AND EXPORTS, FROM SUVA PORT, INCREASED FROM ABOUT 415,000 TONS TO ABOUT 483,000 TONS. OWING GENERALLY TO EFFECTS OF WORLDWIDE RECESSION, IMPORTS OF GENERAL CARGO THROUGH PORT FELL TO ABOUT 177,000 IN 1974 AND DECLINED FURTHER IN 1975 TO ABOUT 159,000 TONS. AS A RESULT TOTAL PORT TRAFFIC DECLINED IN 1974 AND 1975. A SHARP RECOVERY IN IMPORTS WAS EXPERIENCED IN 1976, AND DESPITE A DROP IN EXPORTS, TOTAL CARGO TRAFFIC AT SUVA PORT IN 1976 REACHED A SEVEN YEAR HIGH LEVEL OF ABOUT 505,000 TONS.

4. AS EARLY AS 1972 FIJI PORTS COMMISSION OF INQUIRY IDENTIFIED CERTAIN PHYSICAL AND ORGANIZATION CONSTRAINTS AT SUVA PORT. SOME OF THE OUTSTANDING PROBLEMS ARE THAT MAIN BERTHS FOR OCEAN GOING SHIPS ARE INADEQUATE TO HANDLE UTITIZED CARGO OR CONTAINERS. INADEQUACY OF BERTHS CAUSES SAFETY PROBLEM WHEN DANGEROUS CARGO AND LOW FLASH POINT FUEL IS HANDLED.

5. PURPOSE OF POSSIBLE \$3.0 MILLION PROJECT IS TO:
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1) IMPROVE MAIN BERTHS, 2) TRANSFER PRESENT DANGEROUS CARGO WITH LOW FLASH-POINTS AND FUEL HANDLING ACTIVITY AWAY FROM MAIN WHARF, WHERE HANDLING OF GENERAL CARGO AND BERTHING OF CRUISE SHIPS ARE TAKING PLACE, TO NEW OIL BERTH TO BE CONSTRUCTED, 3) DEMOLISH OLD WAREHOUSES AND TRANSIT SHEDS AND PROVISION OF ADDITIONAL OPEN STORAGE AREAS AND SUFFICIENT SPACE CONTAINER AND CARGO HANDLING INCLUDING NECESSARY EQUIPMENT AND 4) PROVISION OF MOORING DOLPHIN FOR CRUISE SHIPS IN ORDER TO RELEASE BERTHING SPACE AT MAIN WHARF FOR CARGO OPERATIONS.

6. OBJECTIVES OF PROPOSED TA ARE: (I) DEVELOP CARGO AND PASSENGER TRAFFIC FORECASTS FOR SUVA PORT, IN DETAIL FOR THE PERIOD 1978-1987, AND IN OUTLINE FORM THEREAFTER UP TO THE YEAR 2000, TAKING INTO ACCOUNT INTERNATIONAL AND DOMESTIC CARGO/PASSENGER MIX AND THE RELATIONSHIP OF PORT WITH OTHER PORTS IN FIJI AND WITH LAUTOKA PORT IN PARTICULAR; (II) EXAMINE EXISTING PORT FACILITIES AND PRESENT OPERATIONS AT SUVA PORT AND TO DETERMINE THE CARGO HANDLING CAPACITY OF THE PORT CONSIDERING THE INTERNATIONAL AND DOMESTIC CARGO/PASSENGER

MIX WITH PARTICULAR EMPHASIS ON STORAGE FACILITIES FOR EXPORT CARGOES AND ON THE NECESSITY TO DEVELOP WHARF AND SHORE FACILITIES FOR INTER-ISLAND SHIPPING WITH A VIEW TO THE DECENTRALIZATION OF PORTS; (III) EXAMINE PRESENT OPERATIONS FOR HANDLING OF FUEL AND DANGEROUS CARGO WITH LOW FLASH-POINTS AND TO RECOMMEND SITE FOR A NEW OIL BERTH SO AS TO ENABLE THE SHIFTING OF SUCH HANDLING FROM ITS PRESENT LOCATION;

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(IV) DETERMINE SCOPE, TIMING AND COST ESTIMATES OF A TECH-
NICALLY FEASIBLE AND ECONOMICALLY VIABLE PROJECT OR PROJECTS
FOR PORT IMPROVEMENT AND EXPANSION; AND (V) EXAMINE AND RECOMMEND
ORGANIZATIONAL IMPROVEMENTS TO ENSURE EFFICIENT MANAGEMENT,
ADMINISTRATION AND OPERATION OF THE PORT.

7. UNDER TA, TOTAL OF NINE MAN-MONTHS OF EXPERTISE WILL
BE PROVIDED IN PORT ENGINEERING (3 1/2 MONTHS), PORT OPERATIONS
AND SHIPPING (2 MAN-MONTHS) AND TRANSPORT ECONOMIC (3 1/2
MAN-MONTHS). THREE EXPERTS IN THESE DISCIPLINES WILL WORK
AS A TEAM AND WILL BE DRAWN FROM CONSULTING FIRM SELECTED
IN ACCORDINANCE WITH BANK'S GUIDELINES ON USES OF CONSULTANTS.

8. EXECUTING AGENCY WILL BE PORT AUTHORITY OF FIJI (PAF)
UNDER MINISTRY OF COMMUNICATIONS, WORKS, AND TOURISM.
PAF HAS POWER TO MANAGE ALL PORTS IN COUNTRY, BUT PRESENTLY
EXERCISES THIS POWER ONLY IN THREE OFFICIAL PORTS OF
ENTRY. STEVEDORING IS ALSO PROVIDED BY PAF AT SAME
THREE PORTS. ALTHOUGH PAF HAD SOME DIFFICULTY INITIALLY
IN FILLING VARIOUS VACANT POSITIONS, MANAGEMENT OF PORT

HAS TAKEN SUITABLE MEASURES TO REMEDY SITUATION. EXISTING
SYSTEM OF ACCOUNTS AND FINANCIAL POSITION OF PAF ARE BOTH
SATISFACTORY. BANK MISSION CONSIDERS PAF CAPABLE OF
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ACTING AS EXECUTING AGENCY FOR TA.

9. TOTAL COST OF TA IS ESTIMATED AT \$107,000 OF WHICH
\$92,000 WOULD BE FOREX COST TO BE FINANCED BY BANK TA
GRANT, INCLUDING COST OF REMUNERATION AND PER DIEM (\$64,125),
INTERNATIONAL TRAVEL (\$10,700), REPORT PRINTING (\$5,000)
AND CONTINGENCIES (\$12,175). GOF WILL CONTRIBUTE \$15,000
TO COVER LOCAL COSTS OF COUNTERPART STAFF, OFFICE
FACILITIES, SECRETARIAL SERVICES AND LOCAL TRANSPORTATION.

10. TA EXPECTED TO COMMENCE FEBRUARY 1978 AND BE COM-
PLETED IN ABOUT FIVE MONTHS.

11. ADB DOCH111-77 ON ABOVE SUBJECT POUCHED OCTOBER 28.
UNDER PARA 17 OF DOC R51-77 (TECHNICAL ASSISTANCE
OPERATIONS) TA PROJECTS IN AMOUNT NOT EXCEEDING
\$100,000 MAY BE APPROVED BY PRESIDENT AND DO NOT REQUIRE
APPROVAL OF BOARD OF DIRECTORS.
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